

Germany's new energy strategy

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On 28 September the German government adopted a long-term (until 2050) strategy of developing Germany's energy industry. The main premises of this strategy are: extending the period of operation for nuclear reactors (on average by 12 years), the extension of renewable sources of energy (firstly - wind farms offshore) and the reduction of the energy consumption of the economy (particularly in buildings). Consequently, German politicians are hoping for higher energy security, a reduction of CO₂ emissions and stable energy prices.

The energy strategy and the resulting changes in a dozen or so laws will be approved by the Bundestag. However, due to complaints made by the opposition, the German Constitutional Court can reject an important element of the strategy - the extension of the operation of nuclear power plants. The full implementation of the strategy will mean a surplus of electric energy in Germany until 2020 and it will cause Germany to search for new markets to sell this surplus, for example in Poland. Another consequence of the strategy being implemented will be an intensification of Germany's actions in the EU aimed at reducing CO₂ emissions.

Ambitious targets

As stated in the strategy, the German government intends to reduce CO₂ emissions by 2020 (by 40% compared to the level of emissions from 1990). This new plan is also aimed at improving Germany's energy security by decreasing imports of energy resources (potentially a 28% reduction of gas and 16% of oil by 2020) and preventing a rapid increase in prices, which would affect the competitiveness of German companies. These targets are set to be reached above all thanks to increased energy efficiency (particularly through a modernisation of buildings, which consume 40% of energy in Germany), the extension of operation for nuclear power plants (replacing them with conventional power plants would amount to an additional 150 million tonnes of CO₂ a year) and the extension of renewable sources of energy. In the area of the latter the priority is the construction of offshore wind-powered plants with an output of 25 GW (see Appendix). The implementation of this strategy will require many laws to be modified, including the ones regarding the regulation of the nuclear industry and which were adopted in 2002 by the government of Gerhard Schröder. The most important actions to be taken in 2011 are mainly amendments to laws (among them, maritime law) and the launch of funding programmes aimed at developing wind power plants and the transfer networks necessary with the growing number of wind farms.

Problems with the implementation of the strategy

The government must take into account protests from the opposition provoked by the bypassing the Bundesrat in the legislative process of reviewing the law regarding the extension of the operation of nuclear reactors. As a result of the lost election in North Rhine-Westphalia in May this year the ruling coalition does not have a majority in the chamber that groups together German Lands and for this reason it wants to change the law without obtaining the approval of the Bundesrat. The government is referring to legal analyses that state that the participation of the Bundesrat in reviewing these laws is not necessary. The opposition however claims that the review of the laws will place additional burdens on the states and hence it requires the approval of the Bundesrat. The result of this will be a complaint being submitted to the Constitutional Court and it is likely that this significant element of the strategy will be blocked. Furthermore, the opposition is planning many demonstrations in the autumn against plans to extending the operation of nuclear reactors. The attacks of the opposition also concern behind the scenes negotiations that the government has been holding with owners of the reactors within the framework of elaborating with the present strategy and which cover such topics as the financial costs of the electric energy produced by them.

Conclusions

The adopted strategy is *de facto* the first programme since 2002 which is designed to change the entirety of the energy branch and encompasses the issues of supplying electric energy and heat and the consumption of energy resources in transport. The government has succeeded in reaching a compromise regarding Germany's energy policy despite disputes within the coalition and within the government itself but at the expense of abandoning part of its ambitious plans e.g. a compulsory reduction in energy consumption in existing buildings, additional security measures against terrorist attacks on nuclear reactors. It is not certain that the strategy will be fully implemented as the opposition is very critical of it and will seek to modify energy policy if it wins the election. According to some experts, the government cannot secure huge financial support due to budgetary restraints and it will be difficult to fully attain the set objectives, e.g. a reduction in energy consumption in the construction industry. The exception should be the plan of developing offshore wind-power plants that will receive high subsidies and for this reason can be implemented more rapidly than the government has been planning. The government's strategy should also contribute to developing exports of green technologies, mainly in the field of renewable sources of energy.

From the EU perspective the adoption of this strategy means that Germany will opt to introduce the obligation to store radioactive waste at the EU level and this on a timescale adjusted to the plans for constructing German storage facilities. Due to the extended operation of nuclear reactors and reduced energy consumption, the implementation of the strategy could lead to a fall in gas consumption in Germany, which should in the long term

diminish the importance of its gas cooperation with Russia. The development of wind energy in Germany may be expected, which will result in surplus of electric energy in Germany and a search for markets for it in neighbouring countries. The policy of environmental protection will remain a priority in Germany, therefore Berlin's support for a 30% reduction in greenhouse gas emissions in the EU by 2020 can be expected although Berlin's position will depend on the development of related negotiations on a global level. Programmes that offer financial support for the energy industry should contribute to the improved economic situation in Germany and, consequently, an increase in demand for imports from Central Europe, including Poland.

Appendix

Main targets of Germany's energy strategy

- a) Fall in energy consumption compared with 2008 - by 20% in 2020 and 50% in 2050. In practice, energy consumption is reduced by 2.1% annually in the first period.
- b) Fall in the emissions of greenhouse gases compared with 1990

2020	2030	2040	2050
-40.00%	-55.00%	-70.00%	- 80-95%

- c) Share of renewable sources of energy in gross energy production

2020	2030	2040
35.00%	50.00%	65.00%